

BUDGET LETTER

	NUMBER: 04-15
SUBJECT: INITIAL PAST-YEAR SCHEDULE 10s	DATE ISSUED: July 14, 2004
REFERENCES:	SUPERSEDES: BL 03-20

TO: Department Budget Officers
Departmental Accounting Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

INITIAL PAST YEAR SCHEDULE 10s

Schedule 10s are not attached to the electronic transmission of this Budget Letter (BL). However, the Department of Finance (Finance) provides each departmental Budget Officer with one copy of its 2003-04 initial past-year Schedule 10s, along with a hard copy of this BL. If departments have Capital Outlay appropriations, they will receive two packages: Capital Outlay Schedule 10s and State Operations and Local Assistance Schedule 10s.

Upon receipt of the initial past year Schedule 10s, each department must determine that all expenditure authorizations were in fact available during the 2003-04 fiscal year and have been **correctly reflected** in the Schedule 10s as follows:

1. Compare the **appropriation identification number** (org-ref-fund) and scheduled **program numbers** as shown on the Schedule 10s with the Budget Act (for Budget Act appropriations) and with the records of the State Controller (for non-Budget Act appropriations). Revise the Schedule 10s as necessary. Please line through any incorrect org-ref-fund and program codes on the Schedule 10s and write in the correct codes as appropriate. Departmental Budget Officers are requested to coordinate with departmental Accounting Officers to accomplish this code correction effort.
2. Verify Initial Authorizations—the original amounts as scheduled in the Budget Act, which are available during the year to the department. Please remember that the amounts shown as authorized for Budget Act items must be the **same amounts as actually shown in the Final Budget Summary (reflects Budget Act authorized dollars, less any Governor's vetoes, adjusted by any approved technical corrections)**.
3. Verify Adjustments—any approved budget revisions, executive orders, and other adjustments applied to an appropriation during the year.
4. Verify the Revised Appropriation totals—a recap by schedule of the Initial Authorization as affected by any adjustments, and the Year of Completion (YOC) for each schedule.

For Capital Outlay projects that proceed to bid:

- If a contract is approved to proceed to bid, but not yet awarded, show construction dollars as a carryover.
- When the contract is awarded, show dollars as expended.
- If funding is transferred to the Architecture Revolving Fund, show dollars as expended.
- If funding shown as expended in prior past year Schedule 10s, no change is necessary.
- Attach the document substantiating changes to each of the Schedule 10s with changes.

Reflect corrections to the Schedule 10s as follows:

1. Handwrite directly on the appropriate Schedule 10 record any budget revisions and/or executive orders, which are pending or have not been posted to date.
2. Correct any erroneous data by marking up the Schedule 10.
3. Complete a Form DF-38, Missing Records Report, for missing appropriation records (e.g., chaptered bills). The DF-38, revised 6/00, (copy attached) is available on the Internet at http://www.dof.ca.gov/html/budletr/forms/fin_form.htm. However, if you do not have access to the Internet, make copies of the attachment. **Please Note:** All DF-38, Missing Records Report forms must be submitted on **yellow paper**.

After verifying existing information, record actual past year expenditures by schedule and in total in the "Expenditures" column of the Revised Appropriation totals section. ***These must be the same dollar amounts reported to the State Controller on the year-end financial statements. (If other source documents other than year-end financial statements are being used by departments, these source documents must be approved by your Finance Budget Analyst prior to submittal of Past Year Schedule 10s.)*** These are also the same amounts that will be shown in the Governor's Budget as past year actual expenditures. Note: For budgeting purposes, encumbrances are displayed on Schedule 10s as expenditures. All savings must be reflected **by schedule** in the "Savings" column of the Revised Appropriation totals section.

After all revisions have been posted, the **original** copy of the completed initial past year Schedule 10s are to be submitted to the appropriate Finance budget analyst. Departments are encouraged to keep a copy for their records.

CALSTARS agencies may be requested to submit their CSTARB06 report to their Finance budget analyst to verify past year actual expenditures. CALSTARS agencies may also use the CSTARN10 "Prior Year Actual Schedule 10 Summary Worksheet" to reconcile the Finance Initial Past Year Schedule 10s. This CSTARN10 report may be submitted as **an attachment** to these Past Year Schedule 10s in place of the CSTARB06 report for expenditure verification. However, the Past Year Schedule 10s must be completed in accordance with the above instructions and submitted to the Finance budget analyst for review.

PLEASE NOTE: Initial past year Schedule 10s are due to Finance **no later than August 27, 2004** for all departments (regardless of funding sources). See Budget Letter 04-07, "2005-06 Budget Preparation Guidelines", for the schedule for submitting year-end financial statements to the State Controller's Office.

Upon receipt from departments, Finance unit coordinators are responsible for distributing Schedule 10s to the appropriate budget analyst. Finance analysts will review the Schedule 10s immediately and forward them to Financial Operations (FO) on a flow basis. However, **all past year Schedule 10s must be submitted to FO no later than September 17.**

Upon receipt of the completed past year Schedule 10s, FO will update the computer files, print updated past year Schedule 10s (reflecting previously reported and approved corrections, adjustments, and expenditures), as well as the current and budget years Schedule 10s. These 3-Year Schedule 10s will then be forwarded to the appropriate Finance Budget Analyst for distribution to the department for use in preparing the 2005-06 Governor's Budget.

NOTE: Current and budget years Schedule 10s will not be generated and forwarded to departments until the completed past year Schedule 10s have been submitted to Financial Operations.

SCHEDULE 10Rs

The computer-generated Schedule 10Rs for revenues, transfers, and loans will be transmitted at a later date with separate instructions.

QUESTIONS

If you have any questions, please call Finance, Financial Operations Unit, at (916) 322-5540 (CNET line, (916) 492-5540).

/s/ Veronica Chung-Ng

Veronica Chung-Ng
Program Budget Manager

Attachment

Department of Finance
915 - L Street
Sacramento, CA 95814
IMS Mail Code: A-15

DATE	PAGE OF REPORT	FISCAL YEAR	SPECIAL NOTE		
DEPARTMENT			FUND		
ITEM NUMBER			ITEM TITLE		
DOF CODE	CHARACTER— <i>Select one</i> <input type="checkbox"/> 1 State Operations <input type="checkbox"/> 3 Capital Outlay <input type="checkbox"/> 2 Local Assistance <input type="checkbox"/> 4 Unclassified		PROP 98— <i>Select one</i> <input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Z	PROP 98 POT	STATE MANDATES <input type="checkbox"/> YES <input type="checkbox"/> NO

- ☐ 1-0 Budget Act Item
- ☐ 1-2 Budget Act Loan (Non-Add)
- ☐ 1-5 Budget Act Expenditure Transfer
- ☐ 1-7 Budget Act Transfer (Non-Add)
- ☐ 2-0 Financial Legislation Appropriation

- ☐ 2-2 Financial Legislation Loan (Non-Add)
- ☐ 2-5 Financial Legislation Expenditure Transfer
- ☐ 2-7 Financial Legislation Transfer (Non-Add)
- ☐ 3-0 Carryover
- ☐ 3-2 Carryover Loan (Non-Add)

- ☐ 3-7 Carryover Transfer (Non-Add)
☐ 4-0 Reappropriation
☐ 5-0 Statutory (continuous) Appropriation
☐ Other

[illegible]